

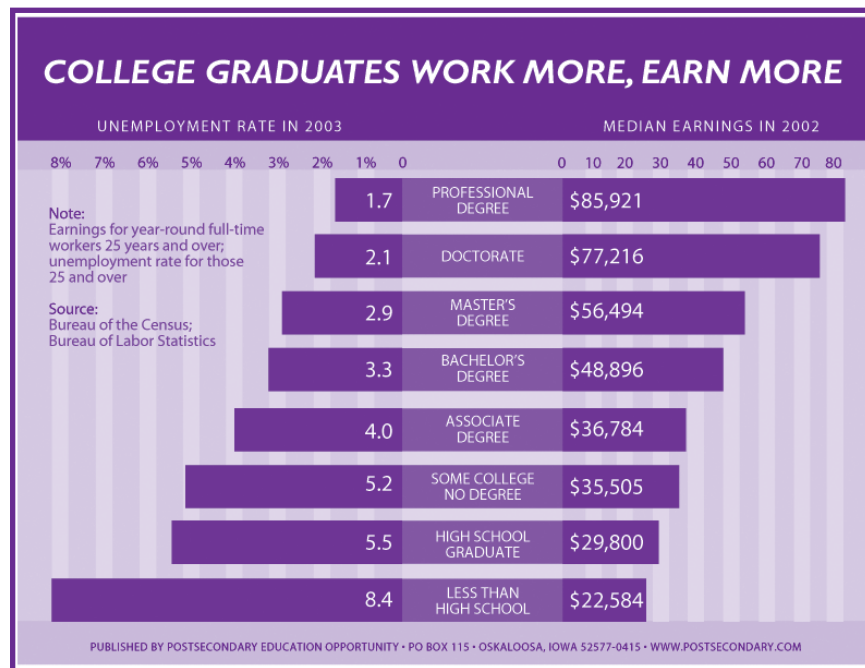
## INTRODUCTION AND GOALS

*The mission of Washington's higher education system is to support the economic, cultural and civic vitality of the state through education, research and public service to provide tangible benefits to residents, businesses and communities.*

### Overview

Education is the cornerstone of our democracy. It is as fundamental to our society as the right to vote. In fact, the founders believed that only an educated citizenry could achieve the goals of the new nation.

Today, we know that a strong education system is the thread that binds the fabric of our society. It is the engine that drives our economy. It is the best hope for a brighter future for every generation. That is as true of the higher education system – the subject of this report – as it is of the K-12 system.



Ideas such as those in the paragraph above are often expressed – and received – as a mild, soothing tonic, pleasant but quickly forgotten when the discussion shifts to “key” issues. But a strong higher education system is vital to our collective future. It is impossible to overstate that fact.

Higher education is the gateway to full participation in the economic, social, and cultural benefits of society. As the chart shows, higher education leads to greater earning power

and less unemployment. Increased education has a direct correlation to increased health insurance coverage, greater personal savings, and other job benefits.

Individual benefits extend beyond the financial. More education and its accompanying earning power generally mean better health and longer, richer lives.

Higher education benefits society as well, both because of the contributions of those who participate and because the higher education endeavor itself enriches the state's economy.

Individual earning and spending fuel the state's economy. People with a higher education earn more, spend more, and contribute more in economic productivity and tax revenue. On average, someone with a college degree spends 72 percent more annually – and contributes that much more to the state's sales tax base – than someone without. A college graduate is also less likely to require governmental entitlement programs.

College-educated citizens drive the businesses of this state – large and small – not only through employment, but also through the entrepreneurial spirit necessary for economic advancement. Partnerships between industry and colleges and universities on research and development grants and in shared commercial ventures hone the state's competitive edge and bring new products and services to the marketplace.

Ironically, we seem to regularly under-value our system. How else to explain the following:

- State per-student funding has actually declined when adjusted for inflation during a period when the vast majority of people believe a college education is more important than ever.
- For every 100 students who enter the ninth grade, only 69 have graduated from high school four years later, and just 34 have graduated from college with their bachelor's degrees six years after that.
- Too many Washington residents with college degrees have attained their credentials in other states.
- State support for students in Washington's two-year and four-year colleges has stopped keeping pace with population growth and the demand for academic, job training, and basic skills instruction.
- The state does not have a comprehensive data system to accurately evaluate the progress and success of its students and colleges.

In the end, the value we place on education will determine our collective future. Our commitment to educational opportunity for students, to funding support for our colleges,

and to the need for accountability for performance will determine the strength of our educational system, the vitality of our economy, and the opportunity available to all who live here.

In this plan, the Higher Education Coordinating Board describes its vision, goals, and specific proposals for improving the higher education segment of the state's education system. These elements are described in detail elsewhere in this document, but several overarching points of context have framed and focused this entire report:

***Continuing the status quo is not good enough.*** Washington has an excellent higher education system, but its quality cannot be taken for granted. The HECB believes the state system is not funded as well as it should be and it is not working as effectively as it could for students, colleges and universities, and policy makers.

***The state must focus on a limited number of priorities.*** Washington must resist the impulse to identify an ever-expanding list of well-intended goals, strategies, and new programs. Instead, we must relentlessly limit ourselves to only the highest priorities. In this plan, the board's highest priorities are restricted to two goals: (1) increase the number of students who complete their studies and earn college degrees, certificates, and other credentials of success and (2) make the higher education system more responsive to the needs of the state economy.

***Washington's higher education system must be well-funded and responsive to performance measurement and accountability.*** The board is fully committed to advocating for higher state spending for colleges and universities, including increased financial aid for deserving students. It also endorses accountability for performance, because the taxpayers of Washington deserve to know two things: (1) that the state coordinating board is doing its part to build a strong system and (2) that the public's investment in higher education is being well used.

## ***The state of higher education in Washington***

This is a difficult time for the people of Washington. Recession has gripped the state for several years. Washington has endured the loss of tens of thousands of living-wage jobs, the failure of hundreds of small businesses and start-up companies, and a fiscal crisis that will continue to force state government to address monumental revenue losses and budget shortfalls. The rapidly rising costs of "doing the people's business" – providing education, social services, law enforcement, transportation, and health care – are outrunning the capacity of the current state tax system to generate revenue.

If Washington is to maintain, let alone improve, the quality of life for all of its residents, we must find new ways to analyze and solve problems affecting issues of transportation,

health care, the environment, and social services. Solving those problems requires a commitment to higher education – not only as a foundation for growth, but also to meet the demand for workers who have the knowledge and skills to address these critical issues when they enter the job market.

In Washington, rapidly increasing demand and a demographic surge will produce unprecedented numbers of high school graduates by 2010 and will push the capacity of our public colleges and universities to the brink. Continually reduced state funding – including higher education budget cuts in the 2003-05 biennium and the failure to keep pace with inflation in other years – creates added pressure. Double-digit tuition increases in recent years have strained family budgets and made it difficult for students to plan and pay for their college careers. And the decline of college affordability has put higher education beyond the reach of already underrepresented segments of the state's population.

Meanwhile, the productivity of our higher education system – the number of students who earn degrees, certificates, and other credentials – is not keeping pace with the state's economic needs. The state is simply not producing enough job-ready graduates nor is it serving enough students in pre-college programs, such as adult basic education and English as a Second Language, which are the gateway to employment and further education for large and growing numbers of residents.

We must recognize that not all of tomorrow's jobs will require a two-year or four-year degree. Workforce training programs play a significant role in the state's higher education system and must be clearly aligned with other postsecondary options for every student leaving high school.

No longer do mounting pressures on the state's higher education system affect only budget decisions or classroom space. Today, these converging challenges threaten the very promise of higher education for the state's high school graduates, as well as countless other "non-traditional" students.

Every public college in the state is overenrolled, with the two-year schools supporting about 11,000 more full-time equivalent students than are funded by the state and the four-year schools enrolling an additional 4,000 students.

A recent national study found that more than 90 percent of high school graduates expect to go to college and more than 70 percent expect to earn degrees. The glaring reality is that the state is not even close to meeting these expectations – nor will it ever be, unless we take steps now to ensure adequate, predictable funding for higher education as a way of meeting increased demand.

If not addressed, all of the challenges facing higher education will lead to the same ominous outcome: a weakened economy, less opportunity for students, wasted talents,

and broken dreams. Perhaps the most alarming trend is that higher education is being squeezed out of the longstanding realm of a public benefit and into the narrower class of a private good. We may be on the right track in recognizing the obstacles ahead, but we are clearly moving in the wrong direction if we neglect to face the problems head-on.

## ***Setting a new course based on core values***

Faced with new and growing pressures on higher education as a whole, it is clear that maintaining the status quo will close the door of opportunity for thousands more students, while undermining both the quality of our system and the state's competitive global advantage. It is time to chart a new course.

### ***The 2004 Strategic Master Plan for Higher Education is based on four core values:***

- All students, regardless of their income, race, ethnicity, gender or personal background, deserve the opportunity to enroll and succeed in college.
- Our entire society benefits from a strong higher education system, so everyone should share the responsibility for its quality.
- The needs and interests of students should be at the center of higher education decision-making.
- The state's commitment to higher education must be broad enough to meet the needs of all students – whether they are learning English or basic skills, preparing for the workforce, or earning an advanced degree – and it must be focused enough to acknowledge and integrate the ongoing reforms in the K-12 system.

## ***Helping students succeed; helping the state prosper***

The 2004 Strategic Master Plan for Higher Education will build on the strengths of the state's current system of higher education, while ensuring access and fostering success for students and creating a stronger connection between higher education and the state's changing economy.

Following the strategies outlined in the plan will lead to greater opportunity for students, more graduates, enhanced funding that is linked to results, a renewed focus on the needs of statewide and regional economies, and more reliable and consistent information about student progress for use by policy makers.

### ***Setting clear and measurable goals***

For Washington to remain competitive in a changing global economy, we must increase the number of educated and skilled people in Washington. And we must harness the

power of higher education to stimulate economic growth and create jobs. That means increasing the number of students who earn college degrees and complete job training programs every year. It also means increasing the responsiveness of our colleges and universities to the state's economic needs to create more jobs and more opportunity for all Washingtonians.

In this master plan, the board is setting clear and measurable goals, with a focus on results rather than inputs alone. Although we cannot measure every aspect of higher education's contribution to our society, we can send a clear message that college degrees matter and that education and training are inextricably linked to our future regional and state prosperity.

### ***Goal 1: Increase opportunities for students to earn degrees***

It is no longer enough to attend college. Students must succeed – and graduate. When more students earn college degrees, everyone benefits. The students earn higher incomes, enjoy a better quality of life, and are less likely to be unemployed. And, a better educated workforce translates into higher tax revenue, greater civic participation, and a stronger state economy.

That is why the board is calling for a 12 percent increase in the total number of students per year who earn college degrees at public and private colleges and universities by 2010.

#### ***Specifically, by 2010:***

- The number of students who earn associate degrees will increase by 3,300 to reach 27,000 per year.<sup>1</sup>
- The number of students who earn bachelor's degrees will increase by 2,800 to reach 30,000 per year.
- The number of students who earn graduate degrees will increase by 1,100 to reach 11,500 per year.

<sup>1</sup> The HECB updated this goal based on more current data in December 2004.

***Goal 2: Respond to the state's economic needs***

Washington's future competitiveness in the global economy depends on having an educated and skilled workforce. Yet, this competitiveness is limited by too few workers with the high-level skills required for jobs in many high-demand fields and too many workers without the basic workplace skills required to obtain the most desirable jobs and to continually adapt to the changing needs of our economy.

Washington needs a coordinated strategy to increase the collective economic responsiveness of its colleges and universities. Specifically,

- The number of students who earn degrees and are prepared for work in high-demand fields will increase by 300 per year compared with current totals to reach 1,500 per year by 2010.
- The number of students who complete job training programs will increase by 12 percent to reach 25,000 per year.<sup>2</sup>
- The number of students in adult basic education and English as a Second Language programs who demonstrate improved literacy skills will grow by 19 percent to reach 20,525 by 2010.<sup>2</sup>

<sup>2</sup> This goal is based on a goal adopted by the State Board for Community and Technical Colleges.

